

COUNTY OF INYO
SINGLE AUDIT REPORT
JUNE 30, 2007

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COUNTY OF INYO

Single Audit Report For the Year Ended June 30, 2007

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BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Supervisors and Grand Jury
County of Inyo
Independence, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Inyo, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Inyo's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Board of Supervisors and Grand Jury
County of Inyo

Internal Control Over Financial Reporting (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Inyo's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the management of the County of Inyo in a separate letter dated March 19, 2008.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

BARTIG, BASLER & RAY, LLP
A GALLINA LLP Company

Bartig, Basler & Ray, LLP

Roseville, California
March 19, 2008



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury
County of Inyo
Independence, California

Compliance

We have audited the compliance of the County of Inyo, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County of Inyo's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Inyo's management. Our responsibility is to express an opinion on the County of Inyo's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Inyo's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Inyo's compliance with those requirements.

In our opinion, the County of Inyo complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-SA-01 and 07-SA-02.

Board of Supervisors and Grand Jury
County of Inyo

Internal Control Over Compliance

The management of the County of Inyo is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Inyo's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Inyo's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County of Inyo's internal control that might be significant deficiencies or material weaknesses as described below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control* deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant* deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-SA-01 and 07-SA-02 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2007, and have issued our report thereon dated March 19, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by

Board of Supervisors and Grand Jury
County of Inyo

OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Schedule of Grant Expenditures, on page 19, has not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

BARTIG, BASLER & RAY, LLP
A GALLINA LLP Company

Bartig, Basler & Ray, LLP

Roseville, California
March 19, 2008

COUNTY OF INYO

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
Food Stamps	10.551	--	\$ 1,104,544
State Administrative Matching Grants for Food Stamp Program	10.561	--	142,054
Subtotal			<u>1,246,598</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	<u>249,164</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	--	<u>206,162</u>
Total U.S. Department of Agriculture			<u>\$ 1,701,924</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grant	14.228	--	<u>241,336</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 241,336</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	--	<u>1,002,298</u>
Total U.S. Department of the Interior			<u>\$ 1,002,298</u>
<u>U.S. Department of Justice</u>			
Passed through State Office of Emergency Services:			
Anti-Drug Abuse Enforcement Program - Edward Byrne	16.579	DC06170140	109,926
Victim Witness Assistant Center	16.579	VW06150140	<u>34,513</u>
Total U.S. Department of Justice			<u>\$ 144,439</u>
<u>U.S. Department of Labor</u>			
Passed through Kern County:			
Workforce Investment Act	17.200	--	<u>67,495</u>
Total U.S. Department of Labor			<u>\$ 67,495</u>

COUNTY OF INYO

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation (Division of Aeronautics):			
Airport Improvement Program	20.106*	DTFA08-01-C-21447	\$ 493,672
Airport Improvement Program	20.106*	DTFA-08-03-C-21713	35,122
Airport Improvement Program	20.106*	DTFA08-06-C-21988	460,848
Airport Improvement Program	20.106*	DTFA08-06-C-21989	8,604
Subtotal			<u>998,246</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205*	RSTPLER-5948 (047)	10,236
Highway Planning and Construction	20.205*	BRLO-5948-001	5,491
Highway Planning and Construction	20.205*	BRLO-5948-051	3,137
Highway Planning and Construction	20.205*	--	673,353
Subtotal			<u>692,217</u>
Formula Grants for Other Than Urbanized Areas	20.509*	645415	123,170
Formula Grants for Other Than Urbanized Areas	20.509*	646173	55,919
Formula Grants for Other Than Urbanized Areas	20.509*	646172	78
Formula Grants for Other Than Urbanized Areas	20.509*	646421	169,198
Subtotal			<u>348,365</u>
Total U.S. Department of Transportation			<u>\$ 2,038,828</u>
<u>U.S. Department of Energy</u>			
Direct Program:			
U.S. Department of Energy Cooperative Agreement	81.065	--	1,231,838
Yucca Mountain Oversight Grant	81.065	--	1,020,983
Total U.S. Department of Energy			<u>\$ 2,252,821</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Alcohol and Drug Abuse Programs:			
Drug-Free Schools and Communities – State Grants	84.186	--	155,751
Total U.S. Department of Education			<u>\$ 155,751</u>

* Major Program

COUNTY OF INYO

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Family Preservation and Support Services	93.556	--	\$ 13,259
Temporary Assistance for Needy Families	93.558*	--	1,222,257
Child Support Enforcement	93.563	--	569,581
Child Welfare Services – State Grants	93.645	--	10,235
Foster Care – Title IV-E	93.658	--	588,724
Child Welfare Services - Title XX	93.667	--	11,897
Adoption Assistance Program	93.659	--	51,459
Independent Living	93.674	--	24,146
Subtotal			<u>2,491,558</u>
Passed through State Department of Health Services:			
Maternal and Child Health Services	93.110	--	176,692
California Children's Services	93.767	--	27,921
Medical Assistance Program	93.778*	--	384,265
Children's Health and Disability Program	93.994	--	94,388
Subtotal			<u>683,266</u>
Passed through the State Department of Mental Health:			
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	<u>160,407</u>
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959*	--	<u>394,340</u>
Total Department of Health and Human Services			<u>\$ 3,729,571</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Governor's Office of Emergency Services:			
FY 2006 Emergency Management Grant Program	97.042	2006-08	<u>16,868</u>
Passed through Governor's Office of Homeland Security:			
FY 2004 Homeland Security Grant Program (SHSP)	97.073	2004-45	17,756
FY 2004 Homeland Security Grant Program (SHSP)	97.073	2005-15	59,260
Subtotal			<u>77,016</u>

* Major Program

COUNTY OF INYO

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Homeland Security (continued)</u>			
Passed through Governor's Office of Homeland Security (continued):			
FY 2004 Homeland Security Grant Program (LETPP)	97.074	2004-45	\$ 3,544
FY 2005 Homeland Security Grant Program (LETPP)	97.074	2005-15	11,392
FY 2006 Homeland Security Grant Program (LETPP)	97.074	2006-71	5,416
Subtotal			<u>20,352</u>
Total U.S. Department of Homeland Security			<u>\$ 114,236</u>
Total Expenditures of Federal Awards			<u>\$ 11,448,699</u>

COUNTY OF INYO

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Inyo. The County of Inyo reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies is included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Entity and is presented on generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

Federal CFDA	Subrecipient	Amount
17.200	IMACA	\$ 67,495

Note 5: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF INYO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Note 6: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
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Food Stamp Cluster:

10.551	Food Stamps	\$ 1,104,544
10.561	State Administrative Matching Grants for Food Stamp Program	<u>142,054</u>

TOTAL		<u>\$ 1,246,598</u>
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Homeland Security Cluster:

97.073	Homeland Security Grant Program (SHSP)	\$ 77,016
97.074	Homeland Security Grant Program (LETPP)	<u>20,352</u>

TOTAL		<u>\$ 97,368</u>
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COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 1

Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued: Unqualified
2. Internal control over financial reporting:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified not considered to be material weaknesses? None Reported
3. Noncompliance material to financial statements noted? No

Federal Awards

1. Internal controls over major program:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified not considered to be material weaknesses? Yes
2. Type of auditor's report issued on compliance for major program: Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? Yes

4. Identification of major program:

CFDA Number

20.106
20.205
20.509

93.558

93.778
93.959

Name of Federal Program

Airport Improvement Program
Highway Planning and Construction
Formula Grants for Other Than
Urbanized Areas
Temporary Assistance for Needy
Families
Medical Assistance Program
Block Grants for Prevention and
and Treatment of Substance Abuse

5. Dollar threshold used to distinguish between Type A and Type B programs. \$ 343,461

COUNTY OF INYO

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

Section 1

Federal Awards (continued)

Summary of Auditor's Results

6. Auditee qualified as a low-risk auditee under
OMB Circular A-133, Section 530?

Yes

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Awards and Questioned Costs

CFDA 93.558 and 93.778
CFDA 93.959

Finding 07-SA-1
Finding 07-SA-2

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Program	Findings/Noncompliance
Finding 07-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary Assistance for Needy Families CFDA 93.558	<i>Pass-Through Entity: State Department of Social Services</i>
Award No. n/a Year: 2006-2007	<i>Compliance Requirement: Procurement and Suspension and Debarment</i>
	<i>Reporting Requirement: Significant Deficiency and Material Non-Compliance in Relation to a Compliance Requirement</i>
and	<u>Criteria</u>
Medical Assistance Program CFDA 93.778	We find that many local governments are not aware of new requirements regarding suspension and debarment, which became effective November 26, 2003.
Award No. n/a Year: 2006-2007	Procurement, suspension and debarment is one of the 14 types of compliance requirements included in Part 3 of the OMB Circular A-133 Compliance Supplement. On November 26, 2003, new suspension and debarment rules were published in the Federal Register (68FR66583-66632). Prior to this revision, when a non-federal entity entered into a federally-funded transaction which equaled or exceeded \$100,000 or for any amount with a subrecipient, only a certificate of compliance signed by the other party to the transaction was required. Now, under the new rules, for any federally-funded transaction which equals or exceeds \$25,000 or for any amount with a subrecipient, the non-federal entity is obligated to check to make sure that the other party to the transaction is not suspended or debarred. As well, the debarment rules now provide that this requirement be imposed on, and relevant information provided to, all subrecipients of federal funds.
	<u>Condition</u>
	We inquired about the Department's procedures regarding suspension and debarment and learned that the Department does not have a procedure in place to verify that large vendors are not suspended or debarred.
	<u>Questioned Costs</u>
	No costs are questioned.

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Program	Findings/Noncompliance
Finding 07-SA-1 (continued)	<u>Perspective</u> The county is small and this program has only a few federally funded transactions which equal or exceed \$25,000.
Temporary Assistance for Needy Families CFDA 93.558	<u>Effect of the Condition</u> The federal government can reject a claim for federal funds reimbursement when the underlying transaction was with a suspended or debarred individual or entity.
Award No. n/a Year: 2006-2007	
and	<u>Recommendation</u> We recommend that the Department implement procedures which require that the Department conduct a review to ensure that the other party to the transaction is not suspended or debarred for the following: (1) any federally-funded transaction which equals or exceeds \$25,000; and (2) all subrecipients no matter what the federal amount involved. Lists of suspended and debarred parties are available online from the Excluded Parties List System at < http://www.epls.gov >.
Medical Assistance Program CFDA 93.778	
Award No. n/a Year: 2006-2007	<u>Corrective Action Plan</u> Inyo County has implemented a new procedure whereby the Auditor-Controller's Office will verify that vendors have not been suspended or debarred on the "Excluded Parties List System" website before contracts are encumbered. Leslie Chapman, Auditor-Controller, at (760) 878-0252 is the contact person for this plan.

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Program	Findings/Noncompliance
Finding 07-SA-2	<i>Federal Grantor:</i> U.S. Department of Health and Human Services
Block Grants for Prevention and Treatment of Substance Abuse CFDA 93.959	<i>Pass-Through Entity:</i> State Department of Alcohol and Drug Programs
	<i>Compliance Requirement:</i> Procurement and Suspension and Debarment
Award No. n/a Year: 2006-2007	<i>Reporting Requirement:</i> Significant Deficiency and Material Non-Compliance in Relation to a Compliance Requirement

Criteria

We find that many local governments are not aware of new requirements regarding suspension and debarment, which became effective November 26, 2003.

Procurement, suspension and debarment is one of the 14 types of compliance requirements included in Part 3 of the OMB Circular A-133 Compliance Supplement. On November 26, 2003, new suspension and debarment rules were published in the Federal Register (68FR66583-66632). Prior to this revision, when a non-federal entity entered into a federally-funded transaction which equaled or exceeded \$100,000 or for any amount with a subrecipient, only a certificate of compliance signed by the other party to the transaction was required. Now, under the new rules, for any federally-funded transaction which equals or exceeds \$25,000 or for any amount with a subrecipient, the non-federal entity is obligated to check to make sure that the other party to the transaction is not suspended or debarred. As well, the debarment rules now provide that this requirement be imposed on, and relevant information provided to, all subrecipients of federal funds.

Condition

We inquired about the Department's procedures regarding suspension and debarment and learned that the Department does not have a procedure in place to verify that large vendors are not suspended or debarred.

Questioned Costs

No costs are questioned.

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Program	Findings/Noncompliance
Finding 07-SA-2 (continued)	<u>Perspective</u>
Block Grants for Prevention and Treatment of Substance Abuse CFDA 93.959	The county is small and this program has only a few federally funded transactions which equal or exceed \$25,000.
Award No. n/a Year: 2006-2007	<u>Effect of the Condition</u>
	The federal government can reject a claim for federal funds reimbursement when the underlying transaction was with a suspended or debarred individual or entity.
	<u>Recommendation</u>
	We recommend that the Department implement procedures which require that the Department conduct a review to ensure that the other party to the transaction is not suspended or debarred for the following: (1) any federally-funded transaction which equals or exceeds \$25,000; and (2) all subrecipients no matter what the federal amount involved. Lists of suspended and debarred parties are available online from the Excluded Parties List System at < http://www.epls.gov >.
	<u>Corrective Action Plan</u>
	Inyo County has implemented a new procedure whereby the Auditor-Controller's Office will verify that vendors have not been suspended or debarred on the "Excluded Parties List System" website before contracts are encumbered.
	Leslie Chapman, Auditor-Controller, at (760) 878-0252 is the contact person for this plan.

COUNTY OF INYO

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

Audit Reference Number	Status of Prior Year Audit Findings
Finding 06-1	<u>Recommendation</u>
Temporary Assistance for Needy Families (TANF) CFDA 93.558	We recommend that the County review this instance of a missing case file, determine what may have led to its disappearance, and implement any necessary procedures to ensure documents are well organized and safeguarded. Such procedures may include periodic reviews of paper files by workers and supervisors.
Award No. n/a Year: 2005-2006	<u>Status</u> Corrected.

**SUPPLEMENTARY SCHEDULE
OF GRANT EXPENDITURES**

COUNTY OF INYO

Supplementary Schedule of Grant Expenditures For the Year Ended June 30, 2007

Office of Emergency Services Grants

The following represents expenditures for Office of Emergency Services programs for the year ended June 30, 2007. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
<u>DC06170140 - Anti-Drug Abuse Enforcement Program</u>						
Personal services	\$ 118,718	\$ 66,045	\$ 184,763	\$ 66,045	\$ --	\$ --
Operating expenses	59,151	43,881	103,032	43,881	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 177,869</u>	<u>\$ 109,926</u>	<u>\$ 287,795</u>	<u>\$ 109,926</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VB06040140 - Vertical Prosecution Program</u>						
Personal services	\$ 38,326	\$ 27,866	\$ 66,192	\$ --	\$ 27,866	\$ --
Operating expenses	4,389	16,990	21,379	--	16,990	--
Equipment	--	20,144	20,144	--	20,144	--
Totals	<u>\$ 42,715</u>	<u>\$ 65,000</u>	<u>\$ 107,715</u>	<u>\$ --</u>	<u>\$ 65,000</u>	<u>\$ --</u>
<u>VW06150140 - Victim Witness Assistant Center</u>						
Personal services	\$ 73,179	\$ 70,727	\$ 143,906	\$ 34,513	\$ 36,214	\$ --
Operating expenses	1,320	7,551	8,871	--	7,551	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 74,499</u>	<u>\$ 78,278</u>	<u>\$ 152,777</u>	<u>\$ 34,513</u>	<u>\$ 43,765</u>	<u>\$ --</u>